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# GSA SmartPay Travel Training for Program Coordinators (A/OPCs)



Welcome to the GSA SmartPay online training for travel?Agency/Organization Program Coordinators (A/OPC). As a program coordinator, you play a critical role in your agency?s/organization?s travel program. You work with account?holders, the bank, and other key stakeholders to ensure that all travel accounts are effectively managed.

This training module is intended to teach you the basics of your roles and responsibilities as an

A/OPC. We encourage you to learn about your agency's specific travel program requirements and policies, since they will be the foundation of your day-to-day duties. Additionally, the contractor or issuing bank that provides your agency's/organization's travel solutions, also provides an Electronic Access System (EAS) and an A/OPC Guide – these will be invaluable tools for you in performing your duties.

To print or save the training, please follow the following steps:

1. Click below on the "Download Travel Training for A/OPCs PDF" link.
2. Select "Ctrl P" or Print from the menu on your web browser.
3. Select a printer name to print OR select "Adobe PDF" from the dropdown menu to save a copy to your computer.

[Download Travel Training for A/OPCs PDF](#) <sup>[1]</sup>

## Section 508 Compliance

Section 508 of the Rehabilitation Act requires that federal agencies' purchase electronic and information technology that is accessible to people with disabilities. Visit <https://section508.gov> <sup>[2]</sup> for more information.

## Travel Program Overview

If you are a new travel program coordinator, you may not be very familiar with the GSA SmartPay travel program. This section will provide information on why the U.S. Government has a payment solutions program and explain how the GSA SmartPay program operates.

### **Why does the U.S. Government have a travel payment solutions program?**

The Travel and Transportation Reform Act of 1998 (Public Law 105-264) mandates Federal Government account holders to use the travel account for official Government travel expenses. The travel account allows individual account holders to pay for travel expenses and receive cash advances. In many instances, use of the account has eliminated the need for agencies to issue travel advances. Government account usage provides streamlined, best-practice processes that are consistent with private industry standards. Here are some of the benefits of the Government's travel program:

- **Universal acceptance and safety.** Travel accounts significantly reduce or eliminate the

need for agency imprest funds or cash, and account holders do not need to worry about carrying large amounts of cash with them when they travel. Additionally, travel accounts are VISA or MasterCard brands and can be used at any merchant that accepts VISA or MasterCard.

- **Refunds.** Agencies receive refunds from the issuing banks based upon the dollar volume of transactions. These refunds amount to millions of dollars per year.
- **Electronic access to data.** The GSA SmartPay banks all provide Electronic Access Systems (EAS), which give agencies access to accurate, comprehensive transaction detail with a few clicks of a mouse button. This enables agencies to monitor account activity and capture transaction data in order to more effectively manage the program.

## **What is GSA SmartPay?**

GSA SmartPay is the name of the Federal Government's purchase, travel and fleet account program. This program provides Federal Government account holders a means to pay for commercial goods and services, travel and travel-related expenses, and vehicle fleet expenses. Additionally, the GSA SmartPay program is the primary mechanism used to purchase airline, rail and bus tickets at significantly reduced fares under the GSA City Pairs program.

Each agency issued a task order to one of the three GSA SmartPay contractor banks for travel payment solutions. They are:

- Citibank
- JPMorgan Chase
- U.S. Bank

These contracts, collectively referred to as the GSA SmartPay 2 Master Contract, are administered by GSA. The GSA SmartPay 2 Master Contract is a fixed price, indefinite delivery/indefinite quantity (ID/IQ) type contract. It has a three-year base period (November 2008 to November 2011) with one four-year option & one three-year option (ending November 29, 2018). The base year period began on November 30, 2008.

Over 300 federal agencies and other authorized organizations participate in the GSA SmartPay program. Your agency/organization receives accounts and related services through a task order(s) with the bank your agency/organization selected. The task order enables your agency/organization to directly work with one of the three GSA SmartPay contractor banks that provide travel account services. Through your task order, you can request and set up accounts for account holders, access the bank's Electronic Access System (EAS) to manage the travel program, and work directly with bank representatives to resolve program issues or have your questions answered.

## **What types of travel accounts are there in the GSA SmartPay program?**

There are two types of accounts available under the GSA SmartPay contract -- Individually Billed Accounts (IBA) and Centrally Billed Accounts (CBA). Both IBA and CBA accounts are used to pay for official travel and travel-related expenses, but there is a major difference between IBA and CBA accounts.

An Individually Billed Account is an account established by the bank at the request of the program coordinator for an individual traveler. The bank will send the individual traveler an Account Holder Agreement with the travel account, and the traveler is expected to read and understand the terms of use before using the account. Once approved, the traveler receives a travel account to pay for all official Government travel and travel-related expenses. The bank will send a billing statement directly to the account holder, and the account holder is responsible for making payment in full to the bank by the due date of each billing statement. The Government reimburses IBA account holders to pay for authorized expenses related to official Government travel. It is up to the account holder to pay the bank the full amount owed, regardless of the amount of the Government's reimbursement.

Centrally Billed Accounts are established by some agencies to pay for official Government travel expenses, usually for transportation carriers (e.g., airplane, train, bus). CBAs are paid directly by the Government to the bank. CBAs are useful to both the agency/organization and individual account holders. The agency/organization benefits because banks pay refunds based on the speed of payment, and many agencies/organizations are able to pay the transportation expenses electronically within a few days of being billed by the bank. The individual account holder benefits because the transportation expenses are absorbed by the agency and the account holder does not need to worry about repaying the bank for these costs, which are usually the most expensive portion of travel costs.

### **Who has liability for charges on travel charge card accounts?**

#### **IBA Accounts:**

The GSA SmartPay<sup>2</sup> Master Contract stipulates that liability for all charges rests with the individual account holder. If the account holder fails to pay his/her account on a timely basis, the bank may suspend or cancel the account and assess late charges and fees. If the bank cancels an account due to delinquency, the bank may report that information to credit bureaus and the information will appear on the account holder's personal credit report. Also, the bank can pursue debt collection to obtain repayment of the charges. The agency/organization is never responsible or legally liable for the account.

#### **CBA Accounts:**

The Federal Government accepts liability only for those proper charges made by an authorized centrally billed account holder using the account, but is not liable for any unauthorized use. Unauthorized use means the use of an account by a person, other than the account holder, who does not have actual, implied or apparent authority for such use and from which the cardholder receives no benefit. When the centrally billed account has been used by an authorized account holder to make an unauthorized purchase, the Government is liable for the charge and the agency is responsible for taking appropriate action against the account holder.

### **What is the appropriate use of the GSA SmartPay<sup>2</sup> travel account?**

The Government travel account may be used only for authorized official travel and travel-related expenses. Official travel expenses are broadly categorized as transportation, lodging, meals and

incidentals.

The travel account must not be used for personal expenses unrelated to official Government travel at any time. Doing so is considered to be "misuse" of the account. In addition, to help prevent misuse, the travel account may be electronically coded to be rejected at merchant locations that your agency has determined are not necessary for conducting official Government business.

## Key Program Participants

Numerous individuals and offices are involved in the administration of the GSA SmartPay program. This section will identify the key program participants and provide a brief description of their major roles and responsibilities.

**Who are the key program participants in the GSA SmartPay program within my agency/organization?**

**Agency/ Organization Program Coordinator (A/OPC)** - As an A/OPC, you are responsible for the overall management and oversight of the accounts under your span of control. Generally speaking, these responsibilities include:

- Setting up accounts and designating authorization controls;
- Serving as a liaison between account holders and the contractor bank;
- Providing ongoing advice and assistance to account holders;
- Auditing travel accounts as required by your agency policy; and
- Using the bank's Electronic Access System to perform account management and oversight.

**Account Holder** - The account holder is the individual or agency/organization component designated by an agency/organization to receive an account. The account holder is responsible for:

- Securing the account;
- Maintaining records relating to all travel transactions; and
- Using the account ethically for official Government travel only.

**Designated Billing Office (DBO)** - The DBO generally serves as the focal point for receipt of official centrally billed invoices. The DBO also serves as the liaison between the agency/organization, the A/OPC and the Centrally Billed Account (CBA) account holder. The DBO oversees the proper processing of invoices and ensures invoices are paid within the Prompt Payment Act timeframes. Responsibilities typically include:

- Reconciling invoices;
- Providing feedback to the A/OPC on bank performance;
- Determining whether to pursue faster payment of official invoices in order to take advantage of productivity refunds, if in the best interest of the Government;

- Providing timely payment to the bank;
- Providing proper interest penalties for payments that exceed Prompt Payment Act timeframes; and
- Making certain that the agency/organization's task order is adequately funded.

**Transaction Dispute Officer (TDO)** - The TDO is an individual or office that may be designated by the ordering agency/organization to assist the agency/organization and the bank in tracking and resolving disputed transactions. The TDO oversees the proper processing of transaction disputes and works with the bank to assure their resolution.

**EC/EDI Office (EO)** - The EO is the focal point for electronic commerce/electronic data interchange (EC/EDI) for the agency/organization. This office also serves as the liaison between the A/OPC, EC/EDI systems staff and the bank. The EO oversees the proper implementation of the agency/organization EC/EDI capabilities and processes.

**Who are the key program participants in the program that are outside of my agency/ organization?**

There are three key program participants in the GSA SmartPay<sup>®</sup> program that exist outside of your agency/ organization: the contractor or issuing bank, the merchant community, and the GSA Contracting Officer.

**The Contractor or Issuing Bank** - The bank's major duties are:

- Paying merchants for travel account transactions;
- Establishing accounts;
- Issuing accounts;
- Creating and maintaining an Electronic Access System (EAS) for agencies/ organizations to utilize in managing the program;
- Preparing monthly statements for each account holder;
- Issuing invoices to the DBO for Centrally Billed Accounts (CBA);
- Providing customer service 24/7;
- Preparing reports;
- Participating in an annual conference, sponsored by GSA, that provides hands-on training on the EAS, sharing best practices and addressing any issues and concerns; and
- Complying with all other terms and conditions of the GSA SmartPay<sup>®</sup> 2 Master Contract.

**Merchants** - Merchants are the source of the supplies and services that the account holder obtains to fulfill your agency/organization's mission using the GSA SmartPay<sup>®</sup> travel account.

**GSA Contracting Officer** - The GSA Contracting Officer administers the GSA SmartPay<sup>®</sup> Master Contract on behalf of all authorized users, including your agency/organization. The GSA Contracting Officer is the only person authorized to:

- Make any changes to any of the requirements of the GSA SmartPay<sup>®</sup> 2 Master Contract;
- Legally commit or obligate the Government to the expenditure of public funds for the GSA SmartPay<sup>®</sup> 2 Master Contract; and
- Render a final decision on a dispute pertaining to the GSA SmartPay<sup>®</sup> 2 Master Contract.

## **Is there anyone else who will be involved with the GSA SmartPay?program?**

Because the GSA SmartPay?program is a highly visible program and receives a lot of interest both within and outside your agency/organization, your agency/organization's management, the Inspector General (IG) staff and other investigators/auditors will likely be interested in the performance of the travel program. Many agencies/organizations will have periodic audits of the travel program, and you will likely be a key player in those audits. Additionally, you may find that the Office of Management and Budget (OMB) and Congress take an interest in the performance of your program. Your agency/organization management and policy office will provide you with more information on handling audits, investigations and external inquiries.

# **Program Coordinator Responsibilities**

As a program coordinator, you will have a key role in your agency's/organization's travel program. This section will address specific program coordinator responsibilities as well as other pertinent information necessary for managing the travel program.

## **What are my primary responsibilities as a program coordinator?**

As a program coordinator for your agency/organization, you serve as the liaison between your agency/organization, the bank, and the account?holder. You may also act as a liaison with the GSA Contracting Office. Your role is essential to efficiently and effectively manage the travel?program.

The following list identifies specific responsibilities as outlined in the GSA SmartPay?2 Master Contract. You may be required to assume some or all of the following responsibilities:

NOTE: "Contractor(s)" referenced below refer to the issuing bank(s).

- Maintain an up-to-date list of account names, account numbers, addresses, e-mail addresses, telephone numbers, etc., of all current account?holders and accounts.
- Provide to the contractor(s) any changes in your agency's organizational structure that may affect invoice/report distribution.
- Review and evaluate the contractor's technical and administrative task order performance and compliance.
- Resolve technical and operational problems between the contractor bank and account?holders as required.
- Take appropriate action regarding delinquent accounts and report to internal investigative units and the GSA Contracting Officer any observed violations of applicable executive orders, laws or regulations.
- Participate in training conferences and train account?holders.
- Ensure that account?holders use the travel account?correctly.
- Monitor account activity and manage delinquencies.
- Ensure that appropriate steps are taken to mitigate suspension or cancellation actions.

Your agency may assign you additional duties related to the management of the program.

Although it is not specifically mentioned in the GSA SmartPay<sup>2</sup> Master Contract, an important responsibility you have as a program coordinator is to keep the lines of communication open with all key program participants. The key to an effective travel program is to ensure that all participants, including senior management/leadership, are aware of what is going on in the program. Stay in touch with your agency/organization's travel program participants by networking, asking questions and sharing or distributing agency/organization policy changes, program information, and/or other travel account information.

As a program coordinator, you should try to establish relationships with the account holders within your span of control. The better you understand each travel charge and account holder's travel history and needs, the more effective you can be in managing the program and preventing or detecting misuse and fraud.

**Account Holder** - The account holder is the individual or agency/organization component designated by an agency/organization to receive an account. The account holder is responsible for:

- Securing the account;
- Maintaining records relating to all travel transactions; and
- Using the account ethically for official Government travel only.

**Designated Billing Office (DBO)** - The DBO generally serves as the focal point for receipt of official centrally billed invoices. The DBO also serves as the liaison between the agency/organization, the A/OPC and the Centrally Billed Account (CBA) account holder. The DBO oversees the proper processing of invoices and ensures invoices are paid within the Prompt Payment Act timeframes. Responsibilities typically include:

- Reconciling invoices;
- Providing feedback to the A/OPC on bank performance;
- Determining whether to pursue faster payment of official invoices in order to take advantage of productivity refunds, if in the best interest of the Government;
- Providing timely payment to the bank;
- Providing proper interest penalties for payments that exceed Prompt Payment Act timeframes; and
- Making certain that the agency/organization's task order is adequately funded.

**Transaction Dispute Officer (TDO)** - The TDO is an individual or office that may be designated by the ordering agency/organization to assist the agency/organization and the bank in tracking and resolving disputed transactions. The TDO oversees the proper processing of transaction disputes and works with the bank to assure their resolution.



**EC/EDI Office (EO)** - The EO is the focal point for electronic commerce/electronic data interchange (EC/EDI) for the agency/organization. This office also serves as the liaison between the A/OPC, EC/EDI systems staff and the bank. The EO oversees the proper implementation of the agency/organization EC/EDI capabilities and processes.

### **How are new accounts set up?**

- **Training Documentation.** The account?holder should understand the responsibilities and duties associated with having a Government travel account. This knowledge is usually obtained through training. Your agency/organization will likely have specific policies in regard to account?holder training, and you should ensure that the account?holder is in compliance with those requirements prior to creating an account.
- **Account Set-Up Form.** Each prospective account?holder must complete and submit an accurate account set-up request form to you. You can acquire the account set-up forms from your bank's A/OPC guide, the bank's website or the bank's EAS.

Once you receive the completed account set-up form, you will review and approve/disapprove the request and set up a file to retain copies of the necessary paperwork. If you approve a request, you will then contact the bank so they can issue the account?to the account?holder. Your agency/organization may have different requirements that must be met before a travel account?can be issued. So, be sure to familiarize yourself with those requirements and follow them at all times.

Completed account forms can be sent to the bank by fax, mail, e-mail, or through the bank's EAS. In cases where there is an emergency, a program coordinator can give verbal directions to the bank to set up an account with electronic/written confirmation to the bank within 24 hours. Written confirmation from the agency must be received 3 working days from the oral emergency request. The bank can ship the emergency card(s) overnight at the bank's expense.

### **How are accounts closed/terminated and what are the recommended exit procedures?**

There are four steps to closing or terminating an account, as follows:

- Immediately notify the bank when an account?holder leaves the agency/organization, is terminated from employment, or no longer requires a travel account.
- Obtain an account close out form from your bank. Complete it and then return it to the bank.
- Instruct the account?holder to destroy/dispose of the card by cutting it into pieces.
- Review the master file/account?holder listing to ensure the account is closed.

### **What is my responsibility in the suspension of a travel account?**

As the program coordinator, you have the discretion to initiate suspension and/or cancellation procedures for any account. You must document the reason for suspension. The bank may suspend an account when the account becomes delinquent. An account is considered delinquent if payment for the undisputed amount has not been received within 45 days from the closing date. After 55 calendar days from the closing date on the statement, the bank shall notify the account?holder and the program coordinator of suspension if payment for the principal amount is

not received by the close of business on the 5th calendar day after notification. If payment for the undisputed principal amount has not been received within 61 calendar days from the closing date on the statement, the account will be suspended.

The bank is required to automatically reinstate suspended accounts upon payment of the undisputed principal amount unless otherwise specified by you. You may also notify the bank of any mission-related, extenuating circumstances for which the account should not be suspended within the notification timeframes mentioned previously. The Government accepts no liability for charges made against the individually billed account.

The Federal Government accepts liability only for those proper charges made by an authorized centrally billed account holder using the account, but is not liable for any unauthorized use. Unauthorized use means the use of an account by a person, other than the account holder, who does not have actual, implied or apparent authority for such use and from which the account holder receives no benefit. When the centrally billed account has been used by an authorized account holder to make an unauthorized purchase, the Government is liable for the charge and the agency is responsible for taking appropriate action against the account holder.

**What is my responsibility in the cancellation of a travel account?**

An account may be cancelled if:

- The account has been suspended two times during a 12-month period for undisputed amounts and is past due again. The bank shall give consideration to the time that has elapsed between the second suspension and the third occurrence for late payment and shall exercise good judgment; OR
- The account is past due for undisputed amounts for example 120 calendar days past the closing date on the statement of account in which the charge appeared; OR
- The account holder used the account for other than authorized purchases and cancellation is approved by the program coordinator; OR
- Two (2) or more checks have been returned for non-sufficient funds (NSF) within a twelve (12) month period; [However, the bank shall reinstate the account if the NSF check(s) was/were returned in error by or at the fault of the account holder's financial institution] OR
- The GSA Contracting Officer requests the cancellation of an account.

After 120 calendar days from the closing date on the statement, the bank shall send a letter to the A/OPC and the DBO or make a documented telephone call to the A/OPC and DBO requesting payment of the undisputed principal amount. If payment is not received by the close of business on the 5th calendar day after notification, the bank may cancel the account at 126 days from the closing date on the statement of account. The bank may, but is not required to, reinstate cancelled accounts upon payment of the undisputed principal amount. Remember, the Government accepts no liability for charges made against the individually billed account.

The following can be used as a guide for determining the status of an account. (Please remember to refer to your agency policy for specific delinquency stages).

Calendar Days Past the Closing Date	Action
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45 days past due	Pre-suspension
61 days past due	Suspension/pre-cancellation
126 days past due	Cancellation
180 days past due	Charge off/write off

### **What happens if a travel account is lost or stolen?**

It is the account?holder?s responsibility to immediately report your lost or stolen travel account?to:

- The contractor?bank;
- Their program coordinator; and
- Their supervisor.

The bank immediately blocks accounts that have been reported lost or stolen from further usage.? The bank will issue the account?holder a new account with a new account number.?? Reporting the account?as stolen does not relieve the account?holder or the Government of payment for any transactions that were made by the account?holder prior to reporting it stolen.? If the account?holder did not make the transactions appearing on the account?holder statement, the account?holder must submit a dispute form to the bank within 90 days.? However, the account is considered delinquent if undisputed charges on the account remain unpaid for more than 61 days.?? Failure to submit the dispute form could result in liability the account?holder or to the Government.? The bank will mail the account?holder a new card within one business day from the time theft or loss was reported and will assign a new number to the account.

## **Reporting Tools**

### **How do I access reports related to the travel charge card program?**

Electronic reports are available through the bank's Electronic Access System (EAS) for program coordinators to monitor and track individually billed travel charge card delinquency. The system requires a User ID and password to access the reports. If you have not been provided a password, contact your bank representative to obtain one. Paper reports are available if you are unable to use the electronic reports; however, electronic reports present several advantages such as timeliness, flexibility and expanded data. Each bank has a slightly different suite of reports available, so review the bank's A/OPC guide or get online to learn about the specific reports offered.

Be aware of the timeliness of the data you are reviewing. Electronic reports are generally updated within two to three days after a transaction. However, some reports are only updated at the end of the billing cycle.

Program coordinators will most likely have access to monitor cardholder transactions at any time.

By using the bank's EAS, you can track all types of cardholder transactions (e.g., transactions, payments, disputes). The information you will need is the cardholder's name, account number, or SSN. Simply enter the information in the inquiry field and the system will show you the current monthly statement as well as previous monthly statements. This process provides current, accurate information within seconds. If you are unable to access the online tool, you may contact the bank's customer service to request information about a specific account.

### **Which reports provide general account information?**

**Account Activity Report** - Contains complete account activity for both active and inactive accounts, reporting current and fiscal year account activity. This report segregates charges and credits by individual or agency/organization accounts with current period totals of the data elements identified. It includes merchant information such as name, address, taxpayer ID number (TIN), merchant category code (MCC), etc.

**Account Change Report** - Lists any changes made to the master file information and identifies what and when elements were changed. This report is generally used by A/OPCs to manage programmatic data as well as to flag/verify changes.

**Current Accounts Report** - Shows all accounts in alphabetical order and includes all information necessary to identify and contact the account holder. This report is generally used by A/OPCs as an easy reference for cardholder identification.

**Exception Report** - Identifies lost, stolen, invalid or cancelled charge cards, declined transactions and unusual spending activity, and details such transaction activity. This report includes current and past due balances. It is generally used by A/OPCs and the Designated Billing Office (DBO) to monitor cardholder activity, track misuse and/or identify training needs of a cardholder.

**Master File Report** - Contains master file information on all accounts (e.g., account number, cardholder information, account expiration date, etc.).

**Renewal Report** - Lists charge cards/accounts due to expire and identifies account name, account number, expiration date, and any other information required to determine renewal status. This report is generally used by the A/OPC to flag expiring charge cards.

### **Which reports are available on transactions, payments, and disputes?**

**Detailed Electronic Transaction File** - Lists each cardholder's detailed transactions for the reporting period and contains all transaction data. This file is generally used by the agency/organization in processing transactions through their financial systems and for reporting purposes.

**Invoice Status Report** - Identifies payment status on each outstanding invoice and includes all transaction data, including original invoice number and other references required to identify the charge. This report is generally used by the DBO to manage payments and disputes.

**Transaction Dispute Report** - Contains all outstanding and resolved transaction disputes and

includes all information necessary to identify, track, balance and obtain status on the dispute from the original charge through resolution. This report is generally used by the Transaction Dispute Office (TDO) to manage disputes.

### **Which reports provide information on account delinquency?**

**Pre-suspension/Pre-cancellation Report:** Listing of accounts eligible for suspension or cancellation

**Suspension/Cancellation Report:** Listing of accounts that have been suspended or cancelled.

**Delinquency Report:** Lists account status for accounts that are 30, 60, 90, 120 or more days delinquent.

**Write-off report:** Lists the amounts written-off for non-payment.

**Exception Reports:** Declined authorizations, Merchant Category Code (MCC) reports for questionable expenditures that do not appear to be related to official travel, ATM withdrawals, high volume accounts, etc. These reports vary from bank to bank.

### **Which reports provide statistical or summary information?**

**1057 Report** - Contains summary merchant demographic information (minority, women-owned business) on a quarterly and cumulative fiscal year basis. This report will include the amount of purchase, merchant name, merchant address, merchant demographic information, North American Industrial Classification System (NAICS) code and size standard. This report is generally used by the agency/organization in fulfilling its small business and small disadvantaged business goals.

**1099 Report** - Shows summary payments made to merchants on a quarterly and cumulative calendar year basis. It will be in merchant TIN ascending numeric order and include a description of the purchase, amount of purchase, merchant name, corporate status, identify doing business as (DBA), if applicable, and merchant address.

**Payment Performance and Refund Report** - Lists the payment performance (average payment time) and any refunds paid to the agency/organization level. This report includes total net charge volume, payment performance, refund amount and type of refund. It is generally used by the agency/organization to analyze payment performance and refunds as well as audit purposes.

**Statistical Summary Report** - Identifies dollar volume, convenience check volume, number of transactions, active cardholders, total number of accounts, number of new accounts, identification of fees charged (e.g., for customized services, convenience checks, value-added products, etc.) on a current and fiscal year basis.

**Summary Quarterly Merchant Report** - Lists, by fiscal year quarter, the summary spending information by merchant category code and includes merchant category code description, number of transactions per merchant category code, total dollar amount per merchant category code, and average dollar amount per merchant category code. This report is generally used by the agency/organization to summarize supplier categories to determine where the

agency/organization dollars are spent, conduct trend analyses, etc.

**Summary Quarterly Purchase Report** - Provides a summary of purchases. This report includes the number of transactions, the dollar volume, and comparative percentages for the current reporting period and fiscal year activity.

**Summary Quarterly Vendor Analysis Report** - Contains, by fiscal year, a detailed quarterly and cumulative summary of the top 100 merchants/vendors by individual merchant/vendor, city, state and service type, in total dollars and total number of transactions. This report is generally used by the agency/organization to negotiate better discounts with merchants, conduct trend analyses, etc.

**Summary Quarterly Vendor Ranking Report** - Shows, by fiscal year, a quarterly and comparative summary by name and type of vendor. This report ranks the major vendors and their dollar charges, along with a percentage breakdown of totals and changes from the previous quarter and the same quarter a year ago, if applicable. This report is generally used by the agency/organization for market and trend analyses, etc.

### **What are my responsibilities for printing and storing reports?**

You should save copies of all electronic reports you generate, particularly statistical or summary reports. Due to the volume of information available, the bank will furnish information for a limited period of time (generally, 18 months or less) before archiving the data. Reports containing sensitive information (e.g., account numbers, cardholder information, etc.) should be maintained in a secure location, such as a file cabinet with a lock. Your agency/organization policy may have further instructions for printing and safeguarding reports that you should follow.

### **What are ad hoc reports?**

Ad hoc reports are customized reports generated based on a specific set of data fields that you designate (for example, a range of dates or types of transactions). You may be able to generate ad hoc reports through your bank's EAS; if this capability does not exist in the EAS, the bank may be able to create an ad hoc report for you and give it to you in hard copy or downloadable format.

## **Dealing with Delinquency and Misuse**

### **What is delinquency?**

The cardholder must pay all undisputed charges directly to the bank in full by the billing due date as printed on the billing statement. This date will be 25 to 30 days after the closing date on the statement, depending on the bank. The closing date is often referred to as the billing cycle date and is assigned by the card-issuing bank for your accounts. This date will generally be the same each month for all accounts under your control.

It is important to remember that under the terms of the GSA SmartPay? 2 Master Contract, an

account is considered past due if payment for the undisputed principal amount has not been received within 45 calendar days from the closing date on the statement of account in which the charge appeared.

- The bank may suspend the account, unless otherwise directed by the program coordinator, if the payment for the undisputed principal amount has not been received 61 calendar days from the closing date on the statement of account in which the charge appeared.
- If payment for the undisputed principal amount has not been received 126 calendar days from the closing date on the statement of account in which the charge appeared, the card-issuing bank may cancel the account, unless otherwise directed by the program coordinator.

Another category of delinquency is credit losses (write-offs). Card-issuing banks are required to show balances older than 180 days as losses on their profit and loss statements. In turn, these losses are defined as write-offs by the bank. The bank may continue efforts to recover these losses after they have been written off.

### **How do I notify cardholders regarding past due accounts?**

Notify the cardholder regarding past due accounts by:

- Phone
- Letter/ correspondence/ memorandum
- Email
- Personal visit

Always document your contacts with cardholders regarding their delinquent accounts. If you contact the cardholder by telephone or personal visit, make a note of the date and time of the call/visit, the results of the call/visit, and any follow-up you or the cardholder agreed to. If you contact the cardholder by email, be sure to save the email. Keep a file copy of all written correspondence. It is important to keep your documentation so that there are records in the event of an audit, investigation, or later inquiry into a specific account.

Your agency/organization may have additional policies requiring you to notify the cardholder's supervisor, your Human Resources office, and/or your Finance office by sending them a list of delinquent travel charge cardholder accounts. Be sure to always comply with those policies.

### **How is action initiated on delinquent accounts?**

You should become familiar with the policies and standards of conduct applicable to cardholders at your agency. Your agency may have developed a guidance that addresses the range of actions that may be taken in the event that the cardholder violates the agency policy.

You may be responsible for advising the appropriate personnel (e.g., the cardholder's supervisor, Human Resources, the Office of Inspector General, the agency/organization Ethics Official) when a cardholder has misused the card.? You do not generally initiate the personnel action, but you may be called upon to provide supporting documentation.

## **How do I inform delinquent cardholders about disciplinary actions?**

If you are required to do so by your agency/organization, inform cardholders who are delinquent that disciplinary actions may be taken by the agency/organization if payments for delinquent accounts are not received in a timely manner. You may be required to cite or provide a copy of the relevant agency policy pertaining to disciplinary actions.

Although travel charge card delinquency policies vary from agency to agency, you may be expected or required to remind cardholders of the consequences for repeated delinquencies and/or misuse of their travel charge card. Disciplinary actions that may occur, depending on the severity of the problem, include:

- Counseling/informal admonishment;
- Oral and/or written reprimand;
- Suspension without pay; and
- Removal from Federal service employment

In addition, it is important to notify cardholders that cancelled individually billed accounts may be:

- Reported to credit bureaus or similar entities by the bank, in accordance with the GSA SmartPay? 2 Master Contract;
- Referred to an outside collection agency by the bank, in accordance with the GSA SmartPay? 2 Master Contract; and
- Subject to late fees for which will not be reimbursed.

## **Why should my agency/organization care about delinquency?**

As you now know, the liability for individually billed travel cards is the cardholder's, not the Government's. You may wonder why the Government should care whether an employee is delinquent in paying the amount owed on time.

There are a number of reasons why it is important to manage delinquency, such as:

- Federal employees must abide by the Standards of Official Conduct and agency ethics rules. ([Visit the Office of Government Ethics website](#) <sup>[3]</sup>).
- Federal agencies are responsible for ensuring that employees follow the Federal Travel Regulation (FTR). ([Visit the FTR website](#) <sup>[4]</sup>).
- As participants in the GSA SmartPay? 2 program, all agencies/organizations are responsible for following the terms of the GSA SmartPay? 2 Master Contract, including the requirements to ensure that cardholders use the card program correctly, monitor account activity, manage delinquency, and mitigate suspension/cancellation of accounts. ([Visit the GSA SmartPay? 2 website for a copy of the GSA SmartPay? 2 Master Contract](#) <sup>[5]</sup>).

## **How can I track cardholder misuse and delinquency?**

Use the bank's EAS exception reports to track misuse and delinquency.



## **What ethical standards apply to travel charge cardholders?**

Executive agency cardholders are subject to the Standards of Official Conduct reissued on January 20, 2001, by President Bush. These standards require that:

- Public service is a trust, requiring cardholders to place loyalty to the Constitution, the laws, and ethical principles above private gain.
- Cardholders shall not use public office for private gain.
- Cardholders shall satisfy in good faith their obligations as citizens, including all just financial obligations, especially those - such as Federal, state, or local taxes - that are imposed by law.

## **Risk Mitigation**

This section will provide you with information on how you can minimize the risk of misuse or fraud in your Government travel charge card program. The most important thing you can do is to be aware of what activity is occurring on the accounts under your purview. Do not be afraid to ask cardholders questions if you identify unusual or suspicious transactions or behavior.

### **What control mechanisms do program coordinators have to assist in managing the charge card program?**

Program coordinators may proactively implement controls to prevent or minimize the occurrence of delinquency. Controls are used to ensure proper use of the card and reduce risk to all parties (the cardholder, the agency/organization and the bank). These controls are often referred to as 'authorization controls'. These include: credit and transaction limits; merchant category code (MCC) blocks; and card deactivation. When appropriate authorization controls are combined with effective oversight and consistent enforcement of agency policies/procedures, the result is a well-managed program. While there can be a cost to implement certain controls, the costs should be balanced against the benefits received by reducing delinquency and misuse.

### **What tools are available to assist agencies in minimizing instances of misuse and fraud?**

GSA, in developing the GSA SmartPay? 2 Master Contract, took into account the need for program management tools and required the banks to provide the following at no cost to the government.

- **Credit limits** - Credit limits restrict single travel, daily, weekly, or monthly expenditures by the cardholder. In accordance with agency/organization policy, an A/OPC may set the limits which best meet the agency's needs. Setting limits that are realistic, but not excessive, will deter cardholder misuse. By reviewing cardholder spending patterns, you may be able to

lower limits without disrupting the agency's mission. A/OPCs also have the authority to raise limits at any time in response to emergency or unforeseen situations.

- **Merchant Category Code (MCC) Blocks** - Merchant Category Codes (MCCs) are established by the bankcard associations or banks to identify different types of businesses. Merchants select the codes best describing their business. You may limit the types of businesses where the charge card will be accepted by limiting the MCCs available to the cardholder. Your bank has established sample templates that may assist you in determining which MCCs should be restricted. In the event that a cardholder needs to make a travel purchase outside of his/her restricted MCCs, A/OPCs are authorized to override the restriction for a transaction by contacting the bank's Customer Service Representative. Agency/organization policy should specify who is authorized to perform overrides.
- **Internet Reports** - A/OPCs have access to many reports on the Internet. The banks provide standard reports and ad hoc reports.
- **Account Deactivation** - In those instances when the travel charge card is not needed on a continuous basis, deactivation of the account may serve as a deterrent to fraud and/or misuse. You may deactivate the account when a cardholder is not using or is not planning to use the travel charge card. By understanding the cardholder's need and use of the card, you can work with the cardholder to establish deactivation guidelines. Deactivation and reactivation can be completed through the bank's EAS or by calling the bank's customer service phone number.
- **Guides** - The banks have developed written guides for A/OPCs and cardholders, as follows:
  - **A/OPC Guide** - This guide addresses issues of concern to the A/OPC, including responsibilities of program participants, account setup and maintenance, account suspension/cancellation, disputes, reports and invoicing procedures. The guide is available from the banks in hard copy and/or electronically.
  - **Cardholder Guide** - This guide addresses authorized uses of the travel charge card, disputes and billing.

### **How do these tools make it easier to audit and manage the use of travel charge cards?**

By providing electronic reports and transaction files, auditors and agency/organization program managers have immediate access to information such as merchant name, type of merchant, dollar amount of transaction, and date of transaction. These tools make it easier to identify questionable transactions and follow through to ensure that the transactions were proper.

In some instances, merchants also provide line item detail of transactions, including quantities, prices and product descriptions. While only a limited number of merchants are providing this additional information today, GSA continues to work with the charge card associations to increase availability of line item detail.

### **What tool does GSA provide to assist agencies/organizations with preventative measures/program management for the travel charge card program?**

- GSA developed and hosts a web-based training course for the proper use of travel charge cards. [Click here to visit the travel charge card online training.](#) [6]
- The annual GSA SmartPay? Conference for A/OPCs provides training on bank Internet

- systems, best practices and program management;
- GSA published a travel charge card "A/OPC Guide", to assist travel charge card A/OPCs in detecting and preventing travel charge card misuse and fraud. [Click here to download or learn how to order printed copies of the manual on the GSA SmartPay? 2 website.](#) [7]

### **Are credit checks required for cardholders?**

According to the Financial Services and General Government Appropriations Act of 2010, more specifically Section 738 of the Act states that "each executive department and agency shall evaluate the creditworthiness of an individual before issuing the individual a government travel charge card." Agencies have to complete this evaluation by using a consumer report from a consumer reporting agency and follow the guidelines outlined in the Fair Credit Reporting Act. These procedures must be followed when issuing a travel card to a new cardholder. The result of the creditworthiness check will determine whether or not you can issue a travel card to a new cardholder. A cardholder that does not have a history of credit or has an unsatisfactory history of credit may not receive a travel charge card. These cardholders, however, may still receive a restricted charge, debit, or stored value card in accordance with agency policies and procedures. Section 738 also requires that executive departments and agencies develop "guidelines and procedures for disciplinary actions to be taken against agency personnel for improper, fraudulent, or abusive use of government charge cards."

[Click here for more information on Section 738 of the Financial Services and General Government Appropriations Act of 2010.](#) [8]

### **What are pre-funded cards?**

Pre-funded cards (also referred to as stored value cards) provide the convenience of acceptance of a charge card and reduce the need for tracking delinquency. With a pre-funded card, the agency/organization funds a card, as needed, with a preset limit (e.g., for temporary travel). The card looks like a charge card and is used like a charge card (e.g., to make cash withdrawals at ATMs or to charge goods/services), but instead of having a credit limit, the card draws on the pre-defined funding level. With each transaction the balance declines against the funding level until it reaches zero. Once the balance reaches zero, the card cannot be used to make purchases or cash withdrawals. At that point, the agency can either cancel or 're-load' the card balance for future use.

### **What are the consequences of cardholder misuse or fraud?**

Cardholders who misuse or fraudulently use their charge cards may be subject to the following actions:

- Revocation of travel charge card privileges and cancellation of the cardholder's travel charge card;
- Notation in the cardholder's personnel file and/or performance evaluation;
- Counseling/admonishment;
- Reprimand;
- Suspension of employment;
- Termination of employment; and

- Criminal prosecution.

Your agency/organization's policies and procedures relating to misuse or fraud involving the travel charge card will dictate how the cardholder will be disciplined.

### **What should I do if I suspect misuse of the travel charge card?**

A key responsibility for most program coordinators is to detect and report suspected misuse. If you are required to report suspected misuse, make sure you have all the information necessary to assist with a formal inquiry or investigation. Contact the cardholder to obtain any information that could explain questionable charges. If the cardholder provides documentation or an explanation regarding the charges and you still have questions or concerns about it, compile all the information (e.g., statement, exception report, documented contacts between you and the cardholder, copies of receipts, etc.) before you report it. Your agency/organization may ask you to report suspected misuse to one or more of the following personnel:

- The cardholder's supervisor;
- The Human Resources Office;
- The Office of Inspector General (via the hotline), OR the Office of Special Investigations (for Defense agencies).

Always follow your agency's policies and procedures when handling cases of suspected misuse or fraud.

### **What is salary offset?**

The Travel and Transportation Reform Act of 1998 (Public Law 105-264) mandates the use of the Government contractor-issued travel charge card for all employees on official Government business. The Act allows an agency to collect from an employee's disposable pay any undisputed delinquent amounts that are owed to a travel charge card contractor, upon written request from the contractor. This is known as salary offset. Each agency must follow the due process requirements of the Act as presented in the FTR before collecting undisputed delinquent amounts on behalf of the charge card contractor. Each agency must reach agreement with its bank on the process to be used for submittal of the request and handling of the request internally. Specific issues to be addressed by the agency include:

- Determining whether the individual is still employed by the agency;
- Determining whether the employee has been reimbursed for travel expenses;
- Determining the amount of disposable pay available for collection. Salary may be subject to other garnishments, etc;
- Payroll's ability to process the request and provide a payment to the bank;
- Legal compliance with the terms of the Act;
- Union notification, if applicable.

A multi-functional team will be required to implement this process. Depending on your organization's structure, this team would be comprised of the A/OPC and representatives from travel policy, payroll, human resources, labor relations and Office of the General Counsel. It is suggested that you work closely with your bank to establish a process that works for all parties.

### **What is split disbursement?**

Split disbursement provides for payments to be made by the agency on behalf of the cardholders. At the cardholder's direction and in accordance with agency policy, disbursement is split. The bank receives a direct payment by the agency of the cardholder specified/claimed amount. The rest of the payment is disbursed to a cardholder account or directly to the cardholder. Large ticket items such as common carrier, hotel and rental car charges are commonly paid directly to the bank on behalf of the cardholder while other disbursements are paid to the employee.

Split disbursement is an effective tool to reduce delinquency and improve refunds paid to the agency. It will require coordination with the bank to ensure proper payments are made by the Government and properly posted to a cardholder's account. A pilot to test the process is highly recommended before implementation.

## **Resources**

### **Bank Contact Information**

In order to effectively manage the travel charge card program for your agency/organization, it is important to know how to contact your bank. It will be helpful to get to know your bank's Customer Service Representatives/Account Managers. They can provide a wealth of information and are ready and able to answer questions to help you manage your program. Remember, many of your responsibilities as an A/OPC involve a working relationship with the bank.

Here is a listing of the bank's websites and phone numbers. Give your bank a call and get to know your contacts there. Ask questions and get involved-they are on hand to give you the technical assistance you need.

Citibank:

- (800) 790-7206 (within United States)
- (904) 954-7850 (collect calls from outside United States)
- [Citibank Online Account Access](#) <sup>[9]</sup>

JP Morgan Chase:

- (888) 297-0783 (within United States)
- (847) 488-4441 (collect calls from outside United States)
- [JP Morgan Chase Online Account Access](#) <sup>[10]</sup>

U.S. Bank:

- (888) 994-6722 (within United States)
- (701) 461-2232 (collect calls from outside United States)
- [US Bank Online Account Access](#) <sup>[11]</sup>

Remember that your bank provides A/OPC guides to assist you. Request a copy from your bank to help you with your A/OPC duties.

### **The GSA SmartPay? 2 Master Contract**

Understanding the terms and conditions of the GSA SmartPay? 2 Master Contract is important to performing your role as a program coordinator. The terms and conditions of the Master Contract identify specific contractual requirements that the GSA SmartPay? 2 program has with the contracting banks.

The GSA SmartPay? 2 Master Contract can be viewed on the [GSA SmartPay? 2 website](#) <sup>[12]</sup>. Download a copy and review relevant clauses and sections that pertain to the travel charge card program as well as the GSA SmartPay? 2 program in general.

### **List of Commonly Used Acronyms**

Acronym	Description
A/OPC	Agency/Organization Program Coordinator
AO	Approving Official
DBO	Designated Billing Office
EAS	Electronic Access System
FAR	Federal Acquisition Regulation
IG	Inspector General
MCC	Merchant Category Code
TDO	Transaction Dispute Office/Official
TIN	Taxpayer ID Number

### **GSA SmartPay? 2 related websites:**

The [GSA SmartPay? 2 website](#) <sup>[13]</sup> provides a copy of the GSA SmartPay? 2 Master Contract, contractor guides, publications, training, program updates and a list of GSA representatives you can contact with questions.

Federal Travel Regulation (FTR) [4]

The Office of Government Ethics (OGE) [3] provides the Standards of Ethical Conduct for employees of the Executive Branch, as well as training and publications.

The Federal Acquisition Regulation (FAR) [14] was established to codify uniform policies for acquisition of supplies and services by executive agencies. The parts relevant to the travel charge card program are Part 1, Part 8 and Part 13.

## Quiz on GSA SmartPay Travel (A/OPC)

Now that you have completed the training portion of the GSA SmartPay Travel A/OPC?Online Training, you are ready to take your quiz. ?Once you have completed and successfully passed your quiz, you will receive your completion certificate. ?The certificate can be saved or printed from the training website.

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**Source URL:** <https://training.smartpay.gsa.gov/gsa-smartpay-travel-card-training-aopc>

### Links

- [1] <https://training.smartpay.gsa.gov/printpdf/book/export/html/68>
- [2] <http://www.section508.gov/>
- [3] <http://www.usoge.gov>
- [4] <http://www.gsa.gov/fttr>
- [5] <https://smartpay.gsa.gov/program-coordinators/contract-documents/smartpay2>
- [6] <https://training.smartpay.gsa.gov/training/travel-card-cardholders>
- [7] <https://smartpay.gsa.gov/guides-publications>
- [8] [http://www.thomas.gov/cgi-bin/bdquery/z?d111:h.r.03288:](http://www.thomas.gov/cgi-bin/bdquery/z?d111:h.r.03288)
- [9] <https://home.cards.citidirect.com/CommercialCard/Cards.html>
- [10] <https://gov1.paymentnet.com/>
- [11] <https://access.usbank.com/cpsApp1/index.jsp>
- [12] <https://smartpay.gsa.gov/program-coordinators/contract-documents/master-contract>
- [13] <https://smartpay.gsa.gov>
- [14] <https://www.acquisition.gov/far/>